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HBC BRIEFING

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PAKISTAN LIABILITIES

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I. Events of past two months have served to highlight the often-overlooked fact that Pakistan's ^{considerable} potential contribution as a Free World ally ~~still~~ suffers from three chronic liabilities: political instability, a weak economy

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II. Atmosphere of increased tension is marking the efforts of ~~more or less vocal~~ political cliques to wrest leadership from the ^{present} ~~old style~~ rulers, President Mirza and Premier Chaudri.

A. Despite strong measures by rulers (example: provincial government of E. Pakistan has twice been suspended by National Gov't), some change in top leadership appears inevitable in next few months--most probably: Mirza's sacrifice of the politically vulnerable Chaudri.

III. Economically, Pakistan's most optimistic plans for future envision merely holding line of present low living standards. Although ^{severe} ~~a pre-partition food surplus area~~, ^{have occurred for the last 3 years} shortages are now annual events.

A. Presently, near-famine in E. Pakistan and start of food shortage in West,

B. As in past, Paks are turning to US for emergency aid: now requesting over 200,000 tons of relief food.

IV. Pak quarrels with India (over Kashmir) and Afghanistan (over Pushtoon issue)

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A. Despite our urging delay, Paks plan to "return" Kashmir dispute to UN this July--just after Nehru's US visit.

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- B. Paks have pressured SEATO and Baghdad Pact councils into support on Kashmir (and SEATO on Pushtoonistan), with resulting Indian and Afghan protests.
 - C. Paks have clashed with Indians and had major border incidents (April & May) with Afghans, thus ^{giving} ~~reviving~~ Indian and Afghan ^{interest} ~~concerns~~ that Paks may eventually use US-supplied weapons against them.
 - D. In this connection, Mirza has protested US attempts to investigate possible use of our weapons in border clashes, and Chaudri has candidly asked for early delivery of a light bomber squadron to offset possible Indian acquisition of UK Canberras.
 - V. Perhaps most importantly, this combination of economic pressures and outstanding quarrels with neighbors had made it expedient for Paks to establish new ties with the USSR and Communist China.
- In economic field:
- A. On 23 May, Paks "gratefully accepted" 40,000 tons of grain as "free gift" from USSR.
 - B. Paks will buy 425,000 tons of Chinese coal in '56.
 - C. Paks plan to export 412,000 bales of cotton to ChiComs this year (double last year's figure).
 - D. Finally, many Paks are tempted by the hope that modification of present strong pro-Western policies might buy Soviet neutrality, or even support, on Kashmir and Pushtoonistan.

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